



OFFICE OF
INSURANCE COMMISSIONER

June 27, 2007

The Honorable Patty Murray
United States Senate
173 Russell Senate Office Building
Washington, DC 20510

RE: Mental Health Parity Legislation, S. 558

Dear Senator Murray:

I'm writing to share my concerns with the June 13, 2007 version of S.558 (manager's amendment), which I believe could adversely impact health insurance consumers in Washington State in the same manner as the previous version of the bill. The manager's amendment continues to include preemption provisions that are ambiguous and contradictory, and therefore pose a threat to Washington State's mental health parity statutes.

As I said in my letter of June 6, 2007, I urge the Senate to adopt pre-emption language similar to that currently found in HR 1424. I support and commend the federal effort to broaden provisions for mental health insurance benefits, but I again urge you to oppose provisions in this legislation that could preempt Washington's mental health parity and chemical dependency treatment mandates.

If S.558 is passed by Congress, it could be interpreted by the courts to preempt our statutes requiring coverage of chemical dependency treatment benefits, and coverage of mental health services in health insurance contracts that cover employers with more than 50 employees. This would allow carriers to reduce or eliminate this coverage altogether for these services. Such a weakening of our state's strong mental health parity law would be an unfortunate set-back for Washington consumers.

In addition to my preemption issue concerns, I am also still concerned about the "cost exemption" provision in S.558. Tracking the cost impact of the mental health parity requirements from plan to plan to the level of precision required by the bill would be difficult, if not impossible, and may be subject to gaming by carriers or employers.

Fundamentally, I continue to believe that federal mental health parity legislation such as S.558 should not establish a national ceiling in terms of consumer protections, but instead should establish a floor that can be exceeded by individual states.

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I reiterate my appreciation for the U.S. Senate's efforts to address this significant health issue, but stress the importance that such efforts not operate to reduce or eliminate the strong benefits that are currently in place in Washington State.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Kreidler", with a long horizontal flourish extending to the right.

Mike Kreidler
Insurance Commissioner